USAID

OFFICE OF INSPECTOR GENERAL

Audit of USAID/India's Monitoring of the Performance of Its HIV/AIDS Program

Audit Report No. 5-386-02-001-P

December 14, 2001

U.S. Agency for International Development
Regional Inspector General/Manila

U.S. AGENCY FOR
INTERNATIONAL
Development

Performance Audits Division

December 14, 2001

MEMORANDUM

FOR: Mission Director, USAID/India, Walter E. North

FROM: RIG/Manila, Bruce N. Boyer /s/

SUBJECT: Audit of USAID/India's Monitoring of the Performance of Its HIV/AIDS Program (Report No. 5-386-02-001-P)

This is our final report on the subject audit. We reviewed your comments to the draft report, made some revisions based on them, and included the comments in their entirety as Appendix II.

The report contains five recommendations addressed to USAID/India. Based on the Mission's comments, a management decision has been reached on Recommendation Nos. 1, 2.1, 4 and 5. These recommendations can be closed when the Mission provides evidence to USAID's Office of Management Planning and Innovation that it has implemented the necessary actions. Management decisions for Recommendation Nos. 2.2 and 3 have not yet been reached.

I appreciate the cooperation and courtesies extended to my staff during the audit.

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Summary of Results

USAID/India generally monitored performance in accordance with USAID's Automated Directives System guidance. However, the Mission needs to strengthen its results framework and performance monitoring plan. Specifically, the Mission should revise its strategic objectives and intermediate results to more realistically reflect the intended results of its HIV/AIDS activities or establish performance indicators to directly measure progress towards its goals. The Mission should also establish performance measures to (a) assess whether the Mission is making progress on its goal to provide women with appropriate STD care, and (b) assess the development impact of its field support activities—which now receive a significant portion of USAID/India's HIV/AIDS funding. (See pages 6 to 13.)

USAID/India has or is planning large-scale interventions in two Indian states: Tamil Nadu and Maharashtra. The audit found that in the state of Tamil Nadu, the Mission has exceeded its intended results related to condom use but has not fully achieved intended results related to the STD program. (See pages 13 to 17.) However, progress has been disappointing in the state of Maharashtra. With respect to interventions in Maharashtra, the Mission needs to ensure that the Government of India expeditiously satisfies the remaining condition precedent so that USAID-funded activities can begin. The Mission's $41.5 million HIV/AIDS program in this state has yet to start—even though the agreement with the host government was signed in September of 1999. (See page 18 to 19.)

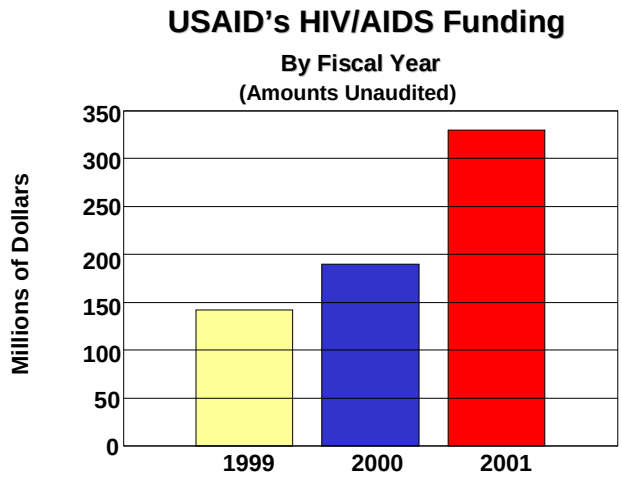
And finally, in response to increased Agency funding for HIV/AIDS, USAID has drafted new *Monitoring & Evaluation Guidance*. The guidance establishes several global targets and summarizes reporting requirements missions are responsible to meet using standard indicators. USAID/India intends to consider, to the extent resources allow, these requirements in its new strategic plan, which is currently underway. The Mission has already established some indicators similar to those required by the guidance. (See pages 19 to 21.)

Background

USAID funding for HIV/AIDS (Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome) has increased dramatically over the past three years: from $142 million in fiscal year 1999 to over $300 million in fiscal year 2001 (see graph below) [1]. USAID is organizing its response to HIV/AIDS around three categories of countries: rapid scale-up countries,

[1] Information in the graph was provided by USAID and is unaudited.

intensive focus countries, and basic countries. These categories describe the resources that USAID will apply and the expectations on when a measurable impact might be achieved. (See Appendix III for description of these categories.)



India, with a population exceeding 1 billion, is one of 13 intensive-focus countries. USAID plans to increase funding to intensive-focus countries to reduce prevalence rates, to reduce HIV transmission from mother to infant, and to increase support services for people with HIV/AIDS. Although India's HIV/AIDS prevalence rate is estimated at less than one percent[2] of the sexually active population, this represents about 4 million Indians who are infected with HIV. This means that India ranks along with South Africa as having the largest number of HIV-infected persons in the world. The primary mode of transmission in India is through heterosexual activity.

At the time of the audit, the Mission's principal on-going bilateral program was the $10 million AIDS Prevention and Control project in the state of Tamil Nadu. The project was created as a result of a tripartite agreement among the Government of India, USAID, and Voluntary Health Services, a non-governmental organization (NGO), in January 1995. The agreement runs through March 2002. The project carries out HIV/AIDS preventive activities through a network of 35 participating NGOs in 48 clusters across the state of Tamil Nadu. Project activities concentrate on reinforcing behavioral change among high-risk groups—including commercial sex workers and their clients, truckers/helpers, and slum dwellers—and on sexually transmitted diseases (STD) patients. Project activities include promoting the sale and use of condoms, and enhancing STD services and counseling.

[2] The HIV/AIDS prevalence rate is estimated at 0.82 percent.

In addition, the Mission provided funding of approximately $1 million for HIV/AIDS-related activities under the Program for Advancement of Commercial Technology/Child and Reproductive Health. Activities under this program include providing loans and grants to the private sector for manufacturing and marketing testing kits for HIV, STDs, and tuberculosis.

Also, in September 1999, USAID signed a bilateral agreement with the Government of India to carry out a seven-year, $41.5 million HIV/AIDS project (AVERT) in the state of Maharashtra. However, no activities have started. Finally, since 1998, the Mission has funded over $13 million in HIV/AIDS activities managed primarily by USAID's Bureau for Global Programs, Field Support and Research in Washington under a cooperative agreement with Family Health International. These field support activities consisted primarily of studies, behavioral surveys, and general technical support—although a number of "model interventions" are now being developed. One such intervention seeks to address the needs of children vulnerable to and affected by the AIDS epidemic.

Audit Objectives

This audit is one of a series of audits being conducted worldwide of USAID's monitoring of the performance of its HIV/AIDS program at the mission level. The Performance Audits Division of USAID's Office of Inspector General (OIG) is leading the audits. The Regional Inspector General, Manila (RIG/Manila) conducted this audit.

The audit objectives and the scope and methodology for the audit were developed in coordination with USAID's HIV/AIDS Division in the Bureau for Global Programs, Field Support and Research. The Office of Inspector General performed this audit in India to review USAID/India's HIV/AIDS program and specifically, to answer the following audit objectives:

- Did USAID/India monitor performance of its HIV/AIDS program in accordance with Automated Directives System guidance?
- Is USAID/India achieving intended results from its HIV/AIDS program?
- What is the status of USAID/India's efforts to meet anticipated HIV/AIDS reporting requirements?

Appendix I describes the audit's scope and methodology.

Recognition

RIG/Manila appreciates the cooperation and assistance of the Mission's Health Team during the audit. A special thanks to Dr. Victor Barbiero, Dr. Dora Warren, Ms. BethAnne Moskov, Dr. Sanjay Kapur, Ms. Sheena Chhabra, and Gulshan Bhatla, and also to Dr. Bimal Charles and his staff for his assistance during our site visit to Tamil Nadu.

Audit Findings

Did USAID/India monitor performance of its HIV/AIDS program in accordance with Automated Directives System (ADS) guidance?

USAID/India generally monitored performance of its HIV/AIDS program in accordance with USAID's Automated Directives System (ADS) guidance. The guidance outlines USAID's policies and procedures for implementing a performance monitoring system. Required procedures include selecting indicators to monitor program performance, establishing baselines for the indicators, and preparing a performance monitoring plan (PMP). Among other things, a performance monitoring plan precisely defines the indicator, identifies data sources for the indicator, specifies how the data are to be collected, and describes procedures to be used to assess data quality.

In accordance with the ADS, the Mission prepared a detailed performance monitoring plan[3] that included most of the required information for the two indicators in the PMP: indicator descriptions, data sources, data collection methods, data collection schedules, assignment of responsibility, and disclosure of data limitations. In addition, the Mission established baselines and targets for the indicators in the plan, and data reported for the indicators agreed with data sources specified in the plan. (See Appendix IV.) The Mission documented its data quality assessment for the two indicators including procedures for reviewing survey methodology, survey results, design of the survey questionnaire and data collection process.

The Mission also used other monitoring tools such as site visits and a mid-term evaluation of its AIDS Prevention and Control project. For fiscal year 2000, USAID/India's performance monitoring plan included two performance indicators which it used to monitor its HIV/AIDS activities under this project: (1) Condom Use, and (2) Sexually Transmitted Diseases (STD) Care.

However, the audit found several areas for improvement including (1) the need to strengthen the Mission HIV/AIDS "results framework" and its performance monitoring plan, (2) the need to establish a performance measure for women

[3] USAID/India updated its March 1996 performance monitoring plan by preparing a draft PMP dated June 2001. During the audit, we assessed the June 2001 PMP.

receiving STD care, and (3) the need to develop performance measures for field support activities funded by USAID/India. These areas are discussed in detail below.

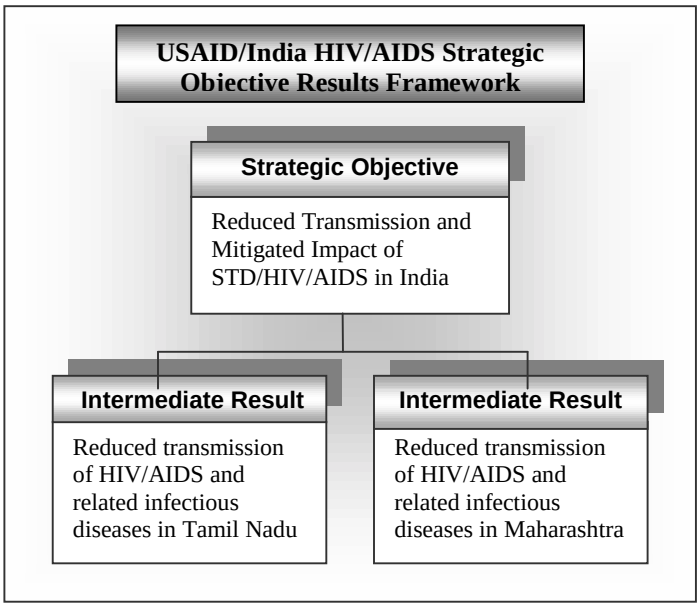
Need to Strengthen Results Framework and Performance Monitoring Plan

ADS 201.3.4.13 states that as a rule of thumb, a mission should have two or three indicators per strategic element [i.e., per strategic objective (SO) and intermediate result (IR)]. The ADS goes on to say that if the strategic element is narrowly defined, a single indicator may be adequate. In addition, ADS 201.3.4.5 defines an SO as the most ambitious and significant result that a USAID operating unit, along with its partners, can materially affect and for which it is willing to be held accountable. In other words, a strategic objective should be something which is within USAID's "manageable interest," i.e., something that a USAID operating unit and its partners can reasonably achieve. However, the audit found that USAID/India had not established any indicators at all at the SO level and that the strategic objective and intermediate results set by the Mission were not entirely within its manageable interest.

USAID/India includes its HIV/AIDS activities under the two-part strategic objective: *"Reduced Transmission and Mitigated Impact of Infectious Diseases Especially STD/HIV/AIDS in India."* This strategic objective has two intermediate results: *"Reduced Transmission of HIV/AIDS and Related Infectious Diseases in Tamil Nadu,"* and *"Reduced Transmission of HIV/AIDS and Related Infectious Diseases in Maharashtra."* (See map below which shows the location of Tamil Nadu and Maharashtra.)

USAID/India currently funds HIV/AIDS activities in the state of Tamil Nadu. At the time of the audit HIV/AIDS activities had not yet begun in Maharashtra.

USAID guidance defines intermediate results as discrete results or outcomes thought to be necessary to achieve an objective or another intermediate result critical to achieving the objective. The schematic below reflects the relationship between the strategic objective and the two intermediate results.



Currently, the Mission's results framework and its performance monitoring plan include only two indicators: (1) "*Percentage of individuals belonging to specified high-risk groups who report condom use in most recent sexual encounter with a non-regular partner*," and (2) "*Percentage of population with symptomatic STDs seeking care from qualified medical practitioners.*" Both of these indicators are at the intermediate results level, for the activities the Mission is carrying out in Tamil Nadu.

However, the performance monitoring plan does not have any performance indicators at the strategic objective level. Also, the current strategic objective and intermediate results may be too ambitious given the Mission's HIV/AIDS activities. Notably, the first part of the strategic objective refers to reducing transmission *in all of India*, even though, to date, most of USAID/India's activities are limited to only one of the Indian states (Tamil Nadu). In addition, it is not clear what "mitigating the impact of HIV/AIDS" (the second part of the strategic objective) means, and it is not included in either of the intermediate result objectives.

Moreover, a more direct measure of the strategic objective and intermediate result goal to "*reduce the transmission of HIV/AIDS*" would be to report on HIV- prevalence rates. Although the Government of India collects HIV-prevalence data annually, the Mission elected not to use this data. Rather, the

Mission's performance monitoring plan only includes behavioral-type measures (condom use and population seeking STD care). While such indicators are valuable, they are not a direct measure of whether the transmission of HIV/AIDS has been reduced. Given that the Mission's activities (e.g., promoting condom use in high risk groups and encouraging individuals with STD symptoms to seek appropriate care) focus on behavioral change, we believe that the Mission may need to scale down its strategic objective and intermediate results to better reflect the results of its activities.

Mission officials gave several reasons for not having indicators at the strategic objective level. USAID/India health officials stated that the two behavioral-type indicators included in their performance monitoring plan are widely accepted as good proxy indicators that progress is being made on the intended results. They were also not aware of the general rule of having two to three indicators for each strategic framework element. Furthermore, we believe that the Mission may have been overly ambitious in setting the high-level goal of reducing the transmission of HIV/AIDS in India given their existing activities.

Without direct measures, USAID will not be able to determine whether the intended results have been achieved. In addition, this could result in the Mission and other stakeholders (i.e., USAID management, the Congress, and others) making incorrect conclusions and/or decisions.

Recommendation No. 1: We recommend that USAID/India either establish indicators for the current strategic objective and intermediate results that directly measure progress towards these goals, or scale down the strategic objective and intermediate results to better reflect the intended results of its activities.

Need to Establish a Performance Measure for Women Receiving Appropriate Sexually Transmitted Diseases (STD) Care

One of the goals of the AIDS Prevention and Control (APAC) project is to enhance STD services and counseling for both men and women. The project's key interventions to achieve this goal are STD training for health care providers, STD counseling and referrals for patients, and increasing access to rapid laboratory tests for STD diagnosis. These interventions are included in the project because individuals infected with STDs are more vulnerable to contracting and transmitting HIV/AIDS. ADS 203.3.6.5 requires operating units to use performance indicators that are consistent and comparable over time. Nevertheless, over the years, the Mission has inconsistently collected and reported on differing groups of men and women who received treatment for STDs—with data on women being dropped entirely starting in 1999.

A female health care provider trained under the APAC project
(June 2001, Kancheepuram Town, Tamil Nadu, India)

The Mission established the following indicator to measure STD treatment in men and women in 1996: *"Percentage of population with symptomatic STDs seeking care from qualified medical practitioners."* Per the Mission's performance monitoring plan, the indicator definition has not changed since that time, but the groups being measured and reported on, have changed over the years.

For 1996 and 1997, the Mission reported results on this indicator based on surveying four high-risk groups: female commercial sex workers, male truckers and helpers, male factory workers, and male students[4]. However, in 1998, the Mission dropped male students from the indicator, and in 1999, the Mission dropped female commercial sex workers, leaving only male truckers and helpers, and male factory workers. Therefore, the groups measured for this indicator have not been consistent over the years. Such data limitations are required to be included in a mission's Results Review and Resource Request (R4) report—the most significant performance report that the operating units send to their respective bureaus. The R4 report, however, did not specifically indicate that the basis for the summary data had changed over the years. The data in the R4 report is used for a variety of purposes, such as internal analyses, responding to

[4] The R4 included results for the individual groups—as well as a summary arithmetic average for the groups overall.

external inquiries, and USAID-wide reporting. Therefore, it is particularly important that the data be complete, accurate and consistent.

Mission officials stated that they stopped reporting on male students because this group was not considered to be as high-risk as other groups. They also mentioned that they stopped reporting on female commercial sex workers because obtaining accurate information on female STD patients was more difficult compared to male STD patients, since STDs are often asymptomatic in women. In fact, according to the mid-term evaluation of APAC project, 50 percent of STDs are asymptomatic in women.

We acknowledge that it may be more difficult to obtain accurate information on female STD patients. Nevertheless, one of the goals of the AIDS Prevention and Control project is to enhance STD services and counseling for both men and women. In addition, UNAIDS and USAID HIV/AIDS monitoring guides[5] suggest using an STD indicator which includes reporting on both men and women. We, therefore, believe that the Mission needs to establish an appropriate performance measure that will assess whether women are receiving appropriate STD care. Otherwise, the Mission will not know whether it is making progress on achieving one of its important project goals.

Recommendation No. 2: We recommend that USAID/India:

2.1 include an appropriate performance measure in its performance monitoring plan to measure whether women are receiving appropriate Sexually Transmitted Diseases care, and

2.2 disclose known data limitations, including inconsistency in reporting, in upcoming annual reports describing program progress.

Need to Establish Performance Measures for Field Support Activities Funded by USAID/India

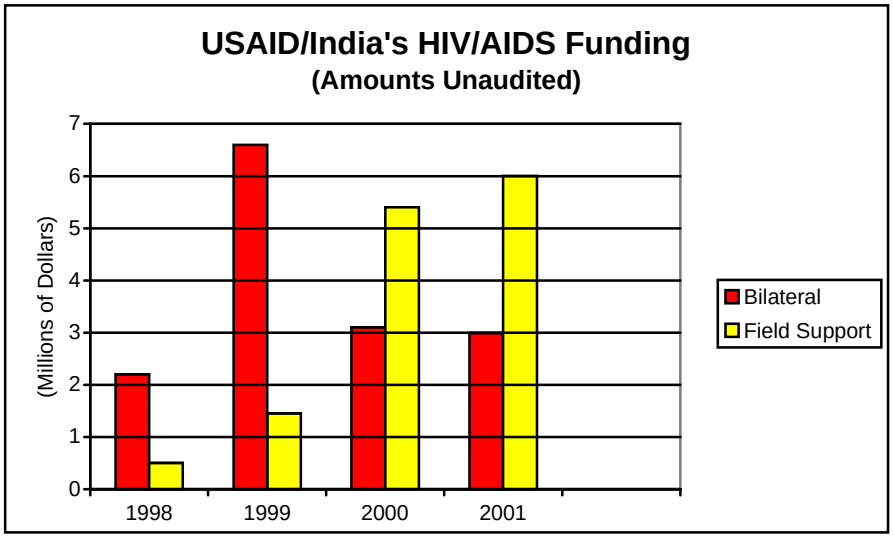
USAID's Results Review and Resource Request (R4) report guidance requires missions that request and fund "field support activities" to capture and report the development impact of these activities in their R4 reports. In addition, ADS 201.3.4.13 calls for missions to utilize the performance monitoring plan to define specific performance indicators, and to plan and manage the R4 data

[5] *Joint United Nations Programs on HIV/AIDS (UNAIDS) National AIDS Programs, A Guide to Monitoring and Evaluation*, dated June 2000, and *USAID's Handbook of Indicators for HIV/AIDS/STI Programs*, dated March 2000.

collection process. We conclude therefore the Mission's performance monitoring plan should contain indicators for significant field support activities.

Field support activities are commodities and services (e.g., technical assistance) provided to field mission through USAID's Bureau for Global Programs, Field Support and Research (Global Bureau). Under this mechanism, missions acquire assistance through the provision of funds to the Global Bureau, which, in turn, procures the commodities or services under an existing contract or grant. Bilateral funds, on the other hand, are funds that are already managed by a mission.

As shown in the following chart, funds have been obligated for bilateral and field support HIV/AIDS activities as follows:



Obligations for field support activities have increased dramatically from $500,000 in 1998 to $6 million in 2001, while bilateral funding has leveled off. However, the Mission has not yet developed measures for field support activities. While the Mission's PMP includes two performance measures for its bilateral funding activities, it does not include any performance measures for field support activities, which are now becoming a more significant portion of total HIV/AIDS funding.

The Mission has not reported on the development impact of field support activities for a number of reasons. The main reason is that these funds are not managed by the Mission, but rather are managed primarily by the Global Bureau in Washington. Mission officials stated that the Mission is responsible for monitoring field support activities, but are not responsible for measuring

results of those activities. Also they pointed out that the bulk of field support activities to date have consisted of studies, behavioral surveys and general technical assistance with specific interventions only just getting started. And finally, the Mission was not aware that the development impact of field support activities needed to be included in R4 reporting.

While some of these general field support activities in fact related to general technical assistance and to supporting the Mission's bilateral activities, a significant portion of the field support funding is now slated for other HIV/AIDS interventions. Two examples are programs for children affected by HIV/AIDS and for HIV/AIDS interventions in the business community.

Of these field support activities the furthest along are programs for children affected by AIDS. Family Health International, a U. S. non-profit organization, has already signed sub-agreements with six indigenous non-governmental organizations to carry out interventions to address the needs of children vulnerable to and affected by the AIDS epidemic. These six sub-agreements alone are currently budgeted at $440,000 per year.

Without performance measures for the field support activities, USAID/India will be unable to assess the development impact of a significant portion of its HIV/AIDS funding, including having a systematic means of monitoring the activities and assessing progress. Without performance measures, it may be difficult to judge how effective these interventions are, and whether such interventions merit expansion to other regions. Having performance measures in place will be increasingly important since funding for field support has been increasing in recent years.

Recommendation No. 3: We recommend that USAID/India include performance measure(s) for significant field support activities in its performance monitoring plan.

Is USAID/India achieving intended results from its HIV/AIDS program?

USAID/India did not directly measure intended results per its strategic objective results framework (see pages 6-9). Nevertheless, in the state of Tamil Nadu, the Mission is exceeding its intended results related to condom use but has not fully achieved intended results related to the STD program. In addition, in the state of Maharashtra, as of September 2001, USAID/India's program had yet to get off the ground.

Even though the program in Tamil Nadu uses a number of measures to monitor progress, the Mission elected to use only two key indicators in its

performance monitoring plan to report program results. The intended results for these two indicators were to increase condom use among high-risk groups from 37 percent in 1996 to 57 percent in 2000 and increase STD care seeking behavior from 52 percent in 1996 to 72 percent in 2000 (see tables below). According to Mission data, the Mission met its fiscal year 2000 target for condom use, but did not meet its target for STD care. In addition, the mid-term evaluation of the program in the state of Tamil Nadu, dated May 2000, concluded that the project has already achieved most of the program's objectives. With regard to results in Maharashtra, the Mission has not yet established performance measures because planned activities have yet to start. The Tamil Nadu and Maharashtra programs are discussed in separate sections below.

Intended Results Generally Being Achieved in Tamil Nadu

For the AIDS Prevention and Control (APAC) project in the state of Tamil Nadu, USAID/India has established two key performance indicators to measure its progress:

- Percentage of individuals belonging to specified high-risk groups who report condom use in the most recent sexual encounter with a non-regular partner, and

- Percentage of population with symptomatic STDs seeking care from qualified medical practitioners.

The Mission funds an annual HIV Risk Behavior Surveillance Survey (BSS) to track and report performance results on these two indicators. The survey is conducted by the A. C. Neilsen Research Service of Tamil Nadu to obtain trends on high-risk sexual behavior among selected population groups including female commercial sex workers, truckers and helpers, male patients attending STD clinics, and male and female factory workers. Total sample size covered among the various sub-population groups was 13,700. A. C. Neilsen conducted the survey in a sample of 12 towns from which NGOs implement interventions. A. C. Neilsen used standard questionnaires to collect data through interviews and focus group discussions.

During the audit, we performed limited testing on data reported for the two key indicators to verify the accuracy of data transcription and to confirm that reported performance results were supported by source documents. We also reviewed results reported for other Survey indicators to see whether these results were consistent with what was reported for the two key indicators.

Condom Use – Condom use is measured as a percentage of the population in high-risk groups using condoms in the last sexual encounter. The reported result

of 60 percent for fiscal year 2000 represents a simple arithmetic average of three high-risk groups including truckers and helpers, commercial sex workers, and male STD clinic attendees. As shown in the following table, condom use has been increasing. Notably, the Mission exceeded its target of 57 percent for fiscal year 2000, reporting that 60 percent used condoms in the most recent sexual encounter with a non-regular partner.

Year	**Condom Use in High-Risk Groups** (Percentage)	
	Target	**Actual**
1996	N/A	37
1997	42	47
1998	47	53
1999	52	57
2000	57	60
2001	65	-

Results reported in the APAC project's mid-term tend to support the data on condom use. The project's mid-term evaluation reported an increase in the commercial sales of condoms from 15.6 million in 1995 to 31 million in 2000, and an increase in the number of retail outlets marketing condoms from 17,600 in 1996 to 35,400 in 1999. In other words, condom sales are rising in tandem with condom use data. The mid-term evaluation also noted other successful condom use promotion interventions. These include communication efforts through mass media, street theater, condom use education, counseling, training of health care providers, and access to free educational materials and kits through NGOs.

During the audit, we obtained supporting condom sales reports and visited program sites in the state of Tamil Nadu to review activities and confirm the conclusions of the mid-term evaluation. We also reviewed other indicators in the annual Survey, which reported results consistent with increasing condom use. Based on these observations, we conclude that the Mission is making progress in increasing condom use in Tamil Nadu.

An owner of a small retail outlet displaying condoms for sale
(June 2001, Kancheepuram Town, Tamil Nadu, India)

STD Care – The project's progress under this indicator is measured by the increased percentage of STD-infected individuals belonging to high-risk groups who seek treatment. Notably, the presence of Sexually Transmitted Diseases places individuals who practice unprotected sex at a higher risk of transmitting HIV; per project documentation, prevention and early treatment of STDs can be an effective measure to contain the HIV epidemic[6]. The reported result of 65 percent for fiscal year 2000 represents a simple arithmetic average of two high-risk groups: (1) truckers and helpers (86 percent) and (2) male factory workers (45 percent).[7] However, as the table below indicates, the Mission did not achieve the planned performance goal of 72 percent for fiscal year 2000—although per Mission data, the Mission had exceeded its targets in the three prior years.

[6] *Quality STD Care—Training Module for Private Medical Practitioners*, October 1998 (page 32), AIDS Prevention and Control, Voluntary Health Services.

[7] During the survey, data were collected for each group separately. The Mission then took a simple average of these two groups for reporting on the indicator.

Year	STD Care in High-Risk Groups (Percentage)	
	Target	Actual
1996	N/A	52
1997	57	67
1998	62	77
1999	67	71
2000	72	65
2001	77	-

While 86 percent of truckers and helpers surveyed reported that they sought medical treatment for STD symptoms, only 45 percent of male factory workers sought such treatment. In fact, the results for male factory workers have exhibited a downward trend since 1997.

According to Mission officials, the under-performance of STD care in 2000 was due to the fact that the AIDS Prevention and Control project has been slow in implementing STD care interventions among the industrial workers even though this high-risk group has been included in the BSS survey since 1996. The Mission has recognized this shortfall in its last two R4 reports. Mission officials stated that the project has focussed interventions among other groups such as STD-infected truckers and helpers since the Behavior Surveillance Survey has showed them to be at higher risk for HIV transmission. Also, Mission officials mentioned that the Project has been aware of this shortfall and, hence, has recently conducted a Situational Assessment Study of industrial workers to gain an understanding of this group's sexual behavior and to plan interventions accordingly[8].

If the Mission does not implement interventions to contain STD infection among male factory workers on a timely manner, this group could transmit STD/HIV/AIDS into the general public in a state that already has an adult HIV prevalence rate of 1.6 percent[9]. In addition, timely interventions in the male factory workers cohort could help the Mission meet its targets in future years.

Recommendation No. 4: We recommend that USAID/India establish a timeframe to begin Sexually Transmitted Diseases Care interventions among male factory workers in the state of Tamil Nadu.

[8] *Situational Assessment of the Industrial Workforce (State of Tamil Nadu), Report on the Quantitative and Qualitative Findings, Taylor Nelson Sofres MODE,* dated June 15, 2001.

[9] According to year 2000 *HIV Sentinel Survey* conducted by the state of Tamil Nadu, the 1.6 percent prevalence rate in Tamil Nadu is almost double the national average of 0.82 percent.

HIV/AIDS Program in Maharashtra Slow to Start

On September 15, 1999, USAID/India and the Government of India (GOI) signed a bilateral agreement for USAID/India's HIV/AIDS project in the state of Maharashtra. The agreement called for USAID to provide $41.5 million to Maharashtra over seven years to combat that state's growing HIV/AIDS epidemic. The state of Maharashtra accounts for about 50 percent of HIV/AIDS cases reported in India. The project, called "AVERT", requires the GOI to satisfy four conditions precedent before receiving any USAID funding. However, when the audit began in June 2001, the GOI had not satisfied all the conditions precedent necessary to release project funds, and no interventions had yet begun.

Under the bilateral agreement, project funds were not to be disbursed before the GOI met four conditions precedent[10]:

- provide names and signatures of individuals acting on behalf of the GOI;

- complete key steps in operationalizing a Project Management Society (PMS) to implement the program including: (a) the registration of the Project Management Society, (b) signing a tripartite agreement for project implementation[11], and (c) appointment of key project staff including a project director;

- provide evidence of the establishment by PMS of procedures for awarding grants and contracts; and

- receive written confirmation that the Mumbai Municipal Corporation has provided adequate office space to house the PMS.

The agreement initially specified that the Government of India was to meet all the above conditions precedent within 90 days from the date the agreement was signed. The agreement was amended five times to extend the terminal date for meeting the conditions precedent which at the time of the audit was September 15, 2001.

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[10] In November 2000, the GOI and USAID amended the bilateral agreement to revise the disbursement arrangement. The amendment allowed for splitting the conditions precedent into two sets and permitted the disbursement of up to $1 million of project funds upon satisfying two of the four conditions precedent.

[11] The tripartite agreement is among the India National AIDS and Control Organization, USAID and the PMS.

The GOI has made progress to satisfy the conditions that allowed the Mission to make the first disbursement in August 2001. This disbursement, totaling about $273,000, relates to reimbursing the Government of India for pre-award costs incurred to renovate office space for housing the PMS —costs which the Mission indicated it had, before signing the bilateral agreement, verbally agreed to pay[12]. As of September 15, 2001, the Government of India had met all conditions precedent except for providing evidence that PMS has a system in place for awarding grants and contracts.

As a result of the delay in the Government of India satisfying the conditions precedent, the Mission has been unable to start HIV/AIDS activities in Maharashtra, and project implementation has been held up for two years. The Mission attributes the delay in implementing the program to the difficulty of developing a satisfactory project framework and working out details between India's central and state governments and to the bureaucracies of both Government of India and USAID. The Mission concluded that the agreement had to be substantially restructured and believes that it was able to finally reach a satisfactory agreement with concerned parties. The Mission now expects to start implementation activities in early 2002. To help ensure that the GOI expeditiously meets the remaining condition precedent, we are making the following recommendation.

> **Recommendation No. 5: We recommend that USAID/India coordinate with the Government of India to set a timeframe to meet the remaining condition precedent in order to start HIV/AIDS interventions in Maharashtra.**

What is the status of USAID/India's efforts to meet anticipated HIV/AIDS reporting requirements?

According to USAID/India officials, the Mission will take into consideration the anticipated reporting requirements when developing its new strategic plan, which is currently underway. These requirements are included in "USAID's Expanded Response to the Global HIV/AIDS Pandemic—Monitoring and Evaluation Guidance." This guidance, while still in draft form, had nevertheless been widely circulated and discussed within USAID and is expected to be finalized in the near future. The guidance includes establishing and reporting on a limited number of key HIV/AIDS indicators—both at national and program-specific level, the use of standard indicators to monitor progress, and the specification of targets for achieving these changes in

[12] In a Memorandum dated August 17, 2001, a USAID Regional Legal Advisor stated that in his view renovation costs were "allowable, necessary and reasonable."

countries which are receiving increased funding for their HIV/AIDS programs.

Due to the significant increase in HIV/AIDS funding from 1999 to 2001 (see chart on page 4), there has been a great deal of interest in monitoring the results of USAID assistance. In March 2000 USAID's Global Bureau developed a handbook of standard indicators that operating units could use to measure the progress of their HIV/AIDS programs. In March 2001, the U.S. General Accounting Office (GAO) issued its report on USAID's fight against AIDS in Africa and the need to be able to better monitor progress. The GAO report recommended that USAID units adopt standard indicators to measure program performance, gather performance data on a regular basis, and report data to a central location for analysis.

In response to the increased funding for HIV/AIDS programming, USAID initiated a "rapid response" program to allocate these funds. USAID's draft "Monitoring and Evaluation Guidance" would establish several global targets that USAID would need to achieve because of the additional funding and would require missions to routinely monitor and evaluate their HIV/AIDS programs in a definitive, systematic way and to report on their progress. As an intensive focus country, the draft guidance would require USAID/India to implement this enhanced monitoring and reporting system. The system would collect and report information at three levels:

- At the first level, USAID/India would be required, by 2007, to develop a national sentinel surveillance system to report annually on HIV incidence rates so as to measure the overall effect of national HIV/AIDS prevention and mitigation programs. The standard indicator for this measurement, according to the draft guidance, would be HIV seroprevalence rates for 15-24 year olds. USAID/India officials stated that the Government of India has a national surveillance system to report national HIV seroprevalance rates for the sexually active population (between 14-49 years old).

- The second level would require the implementation of frequent (every 3-5 years) standardized national sexual behavior surveys to begin in 2001. Standard indicators proposed in the draft guidance for this area are "number of sexual partners" and "condom use with last non-regular partner." USAID/India officials mentioned that under the APAC project, an annual Behavioral Sentinel Surveillance (BSS) study in selected towns in the state of Tamil Nadu has been conducted since 1996. This BSS survey conducted in Tamil Nadu collects data on the two proposed indicators. Mission officials stated that the Government of India conducts an annual National HIV Sentinel Surveillance. However, they added that the Government of India does not yet have a protocol on behavioral surveillance.

- At the third level, Missions would be required to report annually, not only on trends at the national level—which may or may not directly reflect USAID-funded activities—but on progress toward implementing USAID's HIV/AIDS programs and increasing the proportion of the target population covered by these programs. The draft guidance lists seven standard indicators that missions might use to measure progress in selected program areas. USAID/India is presently reporting data similar to two of the standard indicators under the APAC project in Tamil Nadu (Percentage of Sexually Transmitted Diseases cases treated according to national standards; and Percentage of individuals belonging to specified high-risk groups who report condom use in most recent sexual encounters with a non-regular partner).

In summary, Mission officials stated that they would attempt to meet the anticipated reporting requirements to the extent resources allow. The Government of India already has an HIV surveillance system to report national data**.**

Management Comments and Our Evaluation

In response to our draft report, USAID/India provided written comments that are included in their entirety as Appendix II. Based on the Mission's comments, management decisions have been reached on Recommendation Nos. 1, 2.1, 4 and 5. These recommendations can be closed when the Mission provides evidence to USAID's Office of Management Planning and Innovation that it has implemented the necessary actions. Management decisions for Recommendation Nos. 2.2 and 3 have not yet been reached.

Regarding Recommendation No.1, USAID/India agreed to either establish appropriate performance indicators for the strategic objective or scale down the strategic objective and intermediate results. For Recommendation No. 2.1, the Mission agreed to include a performance measure in its performance monitoring plan to measure whether women are receiving appropriate Sexually Transmitted

Diseases care. With respect to Recommendation No. 4, the Mission stated that the APAC project expects to start STD care interventions among factory workers by July 2002.

As for Recommendation No. 5, USAID/India stated that the Government of India should meet all pending conditions precedent by December 31, 2001 pertaining to the HIV/AIDS program in Maharashtra. Furthermore, subgrants to non-governmental organizations should begin by June 2002.

In response to Recommendation No. 2.2, the Mission suggested that the recommendation be dropped since R4 reporting has now been discontinued in favor of a somewhat different "Annual Report". Because the Agency has just decided to eliminate the R4, we have modified the recommendation to disclose known data limitations in "upcoming annual reports describing program progress." This recommendation remains open pending agreement with the Mission.

Finally, for Recommendation No. 3, USAID/India acknowledged that monitoring of field support funds is critical and noted that final management authority for field support activities is vested in USAID/Washington. The Mission said it is consulting with USAID/Washington for guidance on the Agency's view on this subject. We agree that consultation with USAID/Washington is desirable and recognize that recent changes in annual reporting procedures (since the audit concluded) may affect what the Mission reports externally. Nevertheless, we believe that the Mission's internal PMP should at the very least include a performance measure for the children affected by HIV/AIDS interventions. This recommendation remains open pending agreement with the Mission on actions to be taken.

Scope and Methodology

Scope

RIG/Manila conducted this audit in accordance with generally accepted government auditing standards. The purpose of the audit was to determine (1) if USAID/India was monitoring performance of its HIV/AIDS program in accordance with ADS guidance, (2) if USAID/India is achieving intended results from its HIV/AIDS programs, and (3) the status of efforts to improve reporting on the results of the Mission's HIV/AIDS programs.

The audit covered the two HIV/AIDS indicators in USAID/India's performance monitoring plan. Determination if intended results had been achieved was based on (1) whether the Mission met its fiscal year 2000 targets for the two indicators, (2) reviewing activities implemented under the APAC project in the state of Tamil Nadu, including whether the project achieved the intended objectives as stated in the tripartite agreement, and (3) whether the Mission was progressing on the start up of the AVERT project in Maharashtra. In evaluating the intended results we recognized that in many cases other entities—as well as the host country—also participate in achieving these results. Fieldwork was conducted between June 11 to September 14, 2001 at the USAID/India Mission, Family Health International in New Delhi and in the state of Tamil Nadu.

We used performance results reported in the Behavioral Sentinel Surveillance Survey to measure results for the two indicators included in the PMP. We performed limited testing to ascertain the accuracy of the survey data and reported results. Our review of management controls focused on USAID/India's performance monitoring plan and how well the Mission complied with USAID policies and guidance.

Methodology

To answer the first audit objective, we reviewed the Mission's performance monitoring plan and compared it to the requirements set forth in USAID's Automated Directives System. We determined if data quality assessments were completed, baselines were established, and if data agreed to source documents. We also obtained information as to what other methods for monitoring HIV/AIDS program performance were being used by the Mission.

To answer the second objective, we analyzed planned and actual data for the indicators presented in the Mission's performance monitoring plan. Actual data were traced to source documents. For field support activities, we interviewed Mission officials, reviewed documents for accuracy, interviewed

Family Health International officials in New Delhi to obtain understanding of activities funded through field support mechanisms, and visited a children affected by AIDS program in New Delhi.

For objective three, we reviewed USAID's "Handbook of Indicators for HIV/AIDS/STI Programs", USAID's Expanded Response to the Global HIV/AIDS Pandemic—Monitoring & Evaluation Guidance, a draft dated February 2001, and the status of the Mission's implementation of this guidance. For all the above efforts, we reviewed applicable Federal and USAID regulations and guidance; interviewed Mission officials and reviewed Mission documents; interviewed project officials and reviewed project documents; interviewed participating NGO personnel, peer educators and program recipients; and visited program sites.

We traveled to the state of Tamil Nadu and visited participating NGOs to review activities under the APAC program including preventative activities for high-risk groups (i.e., truckers, commercial sex workers, etc.), counseling, condom promotion, street plays and STD referrals. We also visited collaborating GOI health units that obtain referrals of STD cases from NGOs and visited brothels to interview commercial sex workers.

In assessing the accuracy of data reported for the Mission's two key performance indicators, we used two materiality thresholds. First, for transcription error, we used an accuracy threshold of plus or minus one percent. Second, for computation accuracy we used an accuracy threshold of plus or minus five percent.

Management Comments

November 21, 2001

To: Bruce N. Boyer, RIG/ Manila

From: Walter E. North, Mission Director, USAID/India /s/

Subject: Draft Audit Report for the Audit of USAID/India's Monitoring of the Performance of its HIV/AIDS Program

Reference: Your transmittal memo dated October 18, 2001

This is USAID/India's response to the subject draft report. We appreciate the findings of the audit report and feel that many of them will help in strengthening our performance monitoring system. The text below provides USAID/India's comments on the audit recommendations.

The APAC Project of USAID/India in Tamil Nadu is recognized as a successful targeted intervention project and has provided valuable lessons. The Government of India also recognizes the success of this project and has designated APAC as the Technical Resource Group for providing leadership to the country on targeted interventions. An independent mid-term evaluation of the project was positive.

It is mentioned in the report that the Mission did not systematically collect data on HIV prevalence rated in Tamil Nadu (page 9). As we informed the auditors, the Mission does not collect prevalence data in Tamil Nadu. The Government of Tamil Nadu and the Government of India are already collecting prevalence data systematically as part of their sentinel sero-surveillance exercise and therefore we do not want to duplicate efforts.

Recommendation # 1: Establish indicators for strategic objectives and intermediate results/scale down the strategic objectives and IRs : We agree with the Recommendation and will establish appropriate performance indicators for the SO level result or we will scale down the SO and intermediate results. In developing the finding, we suggest you modify or delete paragraph 3 on page 9 since it might be read to infer that the Mission may have been misleading stakeholders, which was definitely not our intent.

Recommendation No. 2 "USAID/India should: 1) include some type of performance measure in its performance monitoring plan to measure

whether women are receiving appropriate sexually-transmitted care, and 2) disclose known data limitations including inconsistency in reporting in the Comments Section of the R4."

2.1 Performance Indicator on Women's STI CARE: USAID/India agrees that this recommendation is actionable in that a performance measure on whether women are receiving appropriate STD care should be included. In fact, we were reporting this data until 1998 in our R4. Based upon your recommendation we will include this performance measure and start reporting on it in the next reporting period. However, we wish to put on record that there is a wide margin or error in the results reported against this measure because of the asymptomatic nature of these infections.

2.2 The Mission has taken note of these valid observations but we recommend that No.2.2 be dropped since R4 reporting has been discontinued.

Recommendation No. 3" "USAID/India include performance measure(s) for significant field support activities in its performance monitoring plan". The monitoring of field support funds is critical. Final management authority for field support activities is vested in AID/W. We are consulting with AID/W for guidance on the Agency's view on this subject.

Recommendation No 4: "USAID/India establish a timeframe to begin STD care interventions among male factory workers in the state of Tamil Nadu." The Mission agrees with the recommendation. A situational analysis of the industrial sector in the state of Tamil Nadu has already been conducted (report can be provided on request). The APAC project plans to start inviting proposals aimed at initiating STD care interventions among industrial workers in Tamil Nadu from April 2002 onwards. We expect on-the-ground activities for STD care interventions to start by July 2002.

Recommendation No. 5: "USAID/India develop an implementation plan with major actions and timeframes to meet the remaining condition precedent and start HIV/AIDS interventions in Maharashtra.

The Mission accepts this recommendation. All pending CPs should be met by December 31, 2001. Sub grants to NGOs should begin by June 2002.

Based on the above, we request you to consider a management decision as having been taken upon issuance of the report for recommendation numbers 2, 4 and 5.

Rapid Scale-Up and Intensive Focus Countries

- Rapid Scale-Up Countries are defined as countries that will receive a significant increase in resources to achieve measurable impact within one-to-two years. This will result in an extremely rapid scaling up of prevention programs and enhancement of care and support activities. Rapid Scale-Up countries include:

Cambodia	Kenya	Uganda
Zambia		

- Intensive Focus Countries are defined as countries where resources will be increased and targeted to reduce prevalence rates (or keep prevalence low in low prevalence countries), to reduce HIV transmission from mother to infant and to increase support services for people (including children) living with and affected by AIDS within three-to-five years. Intensive Focus Countries include:

Ethiopia	Nigeria	Brazil
Ghana	Rwanda	India
Malawi	Senegal	Russia
Mozambique	South Africa	
Namibia	Tanzania	

- Basic Countries are defined as countries that USAID will support host country efforts to control the pandemic. USAID programs will continue to provide assistance, focusing on targeted interventions for populations who engage in high-risk behavior. In these countries, there will be an increased emphasis on maintaining credible surveillance systems in order to monitor HIV trends and allow timely warning of impending concentrated epidemics of HIV. In addition, USAID will assist country institutions to identify additional sources of funding to expand programming.

Summary of USAID/India's Performance Monitoring Controls of HIV/AIDS Program

Indicator	Performance Monitoring Plan							8. Data Quality Assessment Done*	9. Baseline Established	10. Data Agrees To Source	11. Other Means of Monitoring (If yes, indicate type)
	1. Indicator Precisely Defined	2. Data Sources Identified	3. Data Collection Method Described	4. Data Collection Schedule Specified	5. Responsibility Assigned	6. Data Limitations Disclosed	7. Quality Assessment Procedures Described				
Condom Use	Yes	Yes	Yes	Yes	Yes	Yes**	Yes	Yes	Yes	Yes	Yes (External Mid –Term Evaluation)
STD Care	No	Yes	Yes	Yes	Yes	Yes**	Yes	Yes	Yes	Yes	Yes (External Mid-Term Evaluation)

*Per the ADS, data quality assessments are required for indicators used to report progress in the annual Results Review and Resource Request (R4) report, and for data included in special reports to Congress and other oversight agencies.

**Data Limitations were disclosed in the Mission PMP but not in its R4 Report.

Note: The above schedule only summarizes the controls for the two indicators included in the Mission's Performance Monitoring Plan. Please refer to pages 6 to 13 for discussions on improvements needed on the Mission's overall performance monitoring system pertaining to its HIV/AIDS program.